ESTTA Tracking number: **ESTTA763760**

Filing date: **08/10/2016**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	86520138
Applicant	PharmaCann LLC
Applied for Mark	PHARMACANNIS
Correspondence Address	SHOKO NARUO THOMPSON COBURN LLP ONE US BANK PLAZA ST LOUIS, MO 63101 UNITED STATES ipdocket@thompsoncoburn.com, urogers@thompsoncoburn.com, snaruo@thompsoncoburn.com, mparks@thompsoncoburn.com
Submission	Appeal Brief
Attachments	appeal brief 86520138.PDF(121319 bytes)
Filer's Name	Michael A. Parks
Filer's e-mail	hal-shathir@thompsoncoburn.com, ipdocket@thompsoncoburn.com, urogers@thompsoncoburn.com
Signature	/Michael A. Parks/
Date	08/10/2016

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In re application of: PharmaCann LLC	:	
Serial No.: 86/520,138	:	Examining Attorney: Jeffrey J. Look
Filed: February 3, 2015	:	Law Office: 108
Mark: PHARMACANNIS	:	

APPLICANT'S APPEAL BRIEF

I. INTRODUCTION

This appeal presents an issue of first impression for the Board – whether a mark used solely for services related to medical marijuana in accordance with United States Department of Justice guidelines remains subject to an "unlawful use" rejection in the Trademark Office simply because the use is for medical marijuana.

The Department of Justice is the federal agency charged with enforcing this nation's drug laws. Since 2009 the Department of Justice has consistently refused to treat medical marijuana as an illegal drug by consistently refusing to enforce the Controlled Substances Act against it. For two years in a row now, Congress also has weighed in, and has refused to fund any Department of Justice initiative that would prevent any state from implementing its own laws that authorize the use, distribution, possession, or cultivation of medical marijuana.

On prior occasions when this Board has considered federal registration of trademarks used for marijuana, it has *not* done so in the narrow, highly-regulated medical marijuana context approved by the Department of Justice, supported by Congress, and presented in this appeal. Rather, it has done so in the context of non-medical, unregulated sales of marijuana, for example on websites that advertise using slogans such as "Call or stop by today and find out why people consider our marijuana to be the best of the best!" *See In re Morgan Brown*, 2016 WL 4140917,

*2 (TTAB July 14, 2016). In those circumstances, the Board has been reluctant to open the federal register. *Id.*

However, the circumstances in this appeal are quite different. Applicant is seeking to register a mark used solely for services related to medical marijuana in accordance with Department of Justice guidelines. The Board has expressly left open the question of whether this type of use is subject to an "unlawful use" rejection. *Id.* at 5 n.3. It should *not* be subject to an "unlawful use" rejection as explained below, and the Board should reverse the examining attorney's decision to the contrary and allow Applicant's mark to proceed to publication.

II. FACTS

Applicant PharmaCann LLC has filed an intent-to-use trademark application to register the mark PHARMACANNIS for retail store services featuring medical marijuana, and dispensing of pharmaceuticals featuring medical marijuana.[1] The examining attorney found no conflicting marks that would bar registration to Applicant. However, he nonetheless refused registration on the sole ground that "Applicant's goods and/or services consist of, or include, items or activities that are prohibited by the CSA [Controlled Substances Act], namely, marijuana and the sale and distribution of marijuana." *See* April 24, 2015 and November 20, 2015 Office Actions. The examining attorney claimed that "[b]ecause the identified goods and/or services are prohibited by the CSA, applicant does not have a bona fide intention to

[1] Applicant's original application sought registration for additional goods and services, but Applicant has removed those additional goods and services from its application. Applicant agrees with the examining attorney's proposed identification for the services remaining in its application, and it has separately filed a request for remand for entry of the same.

lawfully use the applied-for mark in commerce." *Id.* The examining attorney refused to change his position, made his rejection final, and this appeal followed.

The Controlled Substances Act relied on by the examiner is a federal law that the Attorney General, and by her delegation the United States Department of Justice, decides whether and when to enforce. 21 U.S.C. §§ 871 (a), 811.[2] On October 19, 2009, the United States Department of Justice announced that it no longer would prosecute caregivers for providing medical marijuana or individuals for using medical marijuana, so long as their "actions are in clear and unambiguous compliance with existing state laws providing for the medical use of marijuana." *See* https://www.justice.gov/sites/default/files/opa/legacy/2009/10/19/medical-marijuana.pdf.

The Department of Justice also explained that "prosecution of individuals with cancer or other serious illnesses who use marijuana as part of a recommended treatment regimen consistent with applicable state law, or those caregivers in clear and unambiguous compliance with existing state law who provide such individuals with marijuana, is unlikely to be an efficient use of limited federal resources." *Id.* On August 29, 2013, the Department of Justice renewed and reiterated its stance on not enforcing the Controlled Substances Act against medical marijuana. *See* https://www.justice.gov/iso/opa/resources/305201382913275685 7467.pdf.

Congress has taken the same position as the Department of Justice. For states that have authorized the use, distribution, possession or cultivation of medical marijuana, Congress has

---

[2] *See also Alliance v. Alternative Holistic Healing, LLC*, 2016 WL 223815, * 4 (D. Colo. Feb. 16, 2016) (discussing Department of Justice's wide discretion in deciding whether and how to enforce the Controlled Substances Act).

prohibited the Department of Justice from using any funds to stop those states from implementing their laws that legalize marijuana for medical use:

> None of the funds made available in this Act to the Department of Justice may be used, with respect to the States of Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, district of Columbia, Florida, Hawaii, Illinois, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, Oregon, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Washington, and Wisconsin, to prevent such States from implementing their own State laws that authorize the use, distribution, possession, or cultivation of medical marijuana.

See Consolidated and Further Continuing Appropriations Act of 2015.

On December 15, 2015, Congress renewed this prohibition through the end of 2016. *See* Consolidated Appropriations Act of 2016.

III. ARGUMENT

A. Applicant's Mark for Medical Marijuana Should Not Be Subject to an Unlawful Use Refusal.

The Board's practice of not registering marks for unlawful uses is grounded largely in "public policy" reasons. *Satinine Societa in Nome Collettivo di S.A. eM. Usellini v. P.A.B. Produits et Appareils de Beaute*, 209 USPQ 958, 965, n.2 (TTAB 1981). As a government agency, the Board does not want to be in the "anomalous position" of extending the benefits of trademark protection to a seller based upon actions the seller took in violation of the government's laws. *In re Stellar Int'l, Inc.*, 159 USPQ 48, 51 (1968); *accord CreAgri, Inc. v. USANA Health Sciences, Inc.*, 474 F.3d 626, 630, 81 USPQ2d 1592 (9th Cir. 2007) (citing *In re Stellar* and adopting the Board's policy of lawful use requirement for trademark priority).

Thus, in those instances where the Board has refused registration for unlawful uses, there has been a federal statute *being enforced* and the use sought to be registered would violate it.

E.g. In re Morgan Brown, 2016 WL 4140917 (TTAB July 14, 2016) (*non-medical* marijuana); *In re Stellar*, 159 USPQ 48 (Federal Food, Drug, and Cosmetic Act); *In re Pepcom Indus., Inc.*, 192 USPQ 400, 401 (TTAB 1976) (Federal Food, Drug and Cosmetic Act). Indeed, in each of the cases the examining attorney relied on for his unlawful use rejection of Applicant's application, either the use was held unlawful *because* it violated the governing interpretation of a federal law which was being enforced, or the use was not found to be unlawful at all.[3] The examiner did not cite and Applicant is not aware of any case where the Board made or upheld an unlawful use rejection based on a use that is *not* deemed objectionable by the governmental bodies charged with deciding whether it's objectionable.

To the contrary, the Board's decisions, and its rationale for its unlawful use rule, indicate a strong deference to other federal agencies in determining what should and should not be considered "lawful use" under the laws those agencies are charged with enforcing. As the Board explained in *Satinine Societa*:

> Due to a proliferation of federal regulatory acts in recent years, there is now an almost endless number of such acts which the Board might in the future be compelled to interpret in order to determine whether a particular use in commerce is lawful. Inasmuch as we have little or no familiarity with most of these acts, there is a serious question as to the advisability of our attempting to adjudicate whether a party's use in commerce is in compliance with the particular regulatory act or acts which may be applicable thereto. Rather, it seems that the better practice would be to hold that a use in commerce is unlawful only when the issue of compliance has previously been determined (with a finding of noncompliance) by an entity, such as a court or government agency, having competent jurisdiction under the statute in question, or when there has been a per se violation of a statute

---

[3] *See Gray v. Daffy Dan's Bargaintown*, 823 F.2d 522, 3 USPQ2d 1306 (Fed. Cir. 1987) (Lanham Act, § 2(d), 15 U.S.C. § 1052(d)); *In re Stellar Int'l, Inc.*, 159 USPQ 48 (TTAB 1968) (Federal Food, Drug and Cosmetic Act); *CreAgri, Inc. v. USANA Health Scis., Inc.*, 474 F.3d 626, 81 USPQ2d 1592 (9th Cir. 2007) (Federal Food, Drug and Cosmetic Act); *In re Midwest Tennis & Track Co.,* 29 USPQ2d 1386 (no unlawful use found); *Clorox Co. v. Armour –Dial, Inc.*, 214 USPQ 850 (TTAB 1982) (no unlawful use found); *In re Pepcom Indus., Inc.*, 192 USPQ 400, 401 (TTAB 1976) (Federal Food, Drug and Cosmetic Act).

> regulating the sale of a party's goods, or the rendering of his services, in commerce, as, for example, when a regulatory statute requires that a party's labels must be registered with or approved by the regulatory agency charged with administering the statute before his goods may lawfully enter the stream of commerce, and the party has failed to obtain such registration or approval . . .

Satinine Societa, 209 USPQ at 964. Given the United States Department of Justice's express and consistent decision not to treat medical marijuana as a violation of the Controlled Substances Act and Congress' decision not to fund the Department of Justice to enforce the Controlled Substances Act against medical marijuana, it would make no sense and serve no purpose for the Board to take a different position in ruling on Applicant's trademark application for medical marijuana. For that reason, this case is much different than *In re Morgan Brown*, 2016 WL 4140917 (TTAB July 14, 2016). In that case, the Board addressed registration of a mark involving *non-medical* marijuana in a commercial unregulated context, and did not address the question of "whether use not lawful under federal law, but not prosecuted by federal authorities, is thereby rendered sufficiently lawful to avoid the unlawful use refusal." *In re Morgan Brown*, 2016 WL 4140917, *5 n.3.[4]

B. Applicant's Application Should Proceed to Publication.

The examining attorney found no conflicting marks that would bar registration to Applicant. The sole basis for his refusal was his view on the Controlled Substances Act. Because that refusal was improper as explained above, it should be reversed, and Applicant's application should proceed to publication under Trademark Rule 2.80, 37 CFR § 2.80.

---

[4] Applicant also notes that the Trademark Office has allowed registrations for goods and services illegal under federal law. *See, e.g.,* Registration No. 3,238,218, issued May 1, 2007 for WORLD FAMOUS BROTHEL & Design for "legalized prostitution services"; Registration No. 4,788,261, issued August 11, 2015 for ZALUVIDA, registered goods and services include "pharmaceuticals for human use, namely, cocaine"; Registration No. 4,853,197, issued November 17, 2015 for HANMI & Design, registered goods and services include "cocaine."

Although there is nothing in the record or elsewhere to suggest that either Congress or the United States Department of Justice will alter their non-enforcement policy on medical marijuana, to assuage any concern on that issue the Board may have, Applicant is willing to add the phrase "in accordance with Department of Justice guidelines" as a proviso in its recitation of services. Thus, Applicant's identification of services would read: "retail store services featuring medical marijuana in accordance with Department of Justice guidelines" in International Class 35 and "dispensing of pharmaceuticals featuring medical marijuana in accordance with Department of Justice guidelines" in International Class 44. Applicant believes this amendment would resolve any issues potentially remaining with Applicant's application. Because it is a clarifying or limiting amendment, it is permissible under Trademark Rule 2.71(a), 37 CFR § 2.71(a) ("The applicant may amend the application to clarify or limit, but not to broaden, the identification of goods and/or services or the description of the nature of the collective membership organization.").

IV. CONCLUSION

For the above reasons, Applicant respectfully requests that the Board reverse the examining attorney's refusal and permit registration of Applicant's PHARMACANNIS mark.

V. ORAL HEARING IS REQUESTED.

Applicant requests an oral hearing.

Dated August 10, 2016

Respectfully submitted,

/s/ *Michael A. Parks*

Diane Romza-Kutz
Michael A. Parks
Michelle W. Skinner
THOMPSON COBURN LLP
55 E. Monroe Street, 37th Floor
Chicago, IL 60603
(312) 346-7500
dromzakutz@thompsoncoburn.com
mparks@thompsoncoburn.com
mskinner@thompsoncoburn.com
ipdocket@thompsoncoburn.com

Attorneys for Applicant PharmaCann LLC